



- Division of Business and Community Development
 - Existing business expansion/retention.
 - Partnering with 150+ local/regional ED agencies.
 - International Trade
 - MERIC (MO Economic Research and Information Center)
 - Redevelopment, Community Development
- Division of Workforce development.
 - www.MissouriCareerSource.com
 - 41 “Career Centers”
 - 14 Workforce Investment Boards
 - Training funds

DED Affiliate Agencies



Partners in Economic Development

- 150+ Local, Regional ED agencies
- 10 Innovation Centers, MO Enterprise
- Universities, Community Colleges
- Small Business and Technology Development Centers
- Regional Planning Commissions
- International – Foreign Offices, US Dept. of Commerce, Regional organizations.

Missouri's Business Advantages

- Stability:
 - AAA bond rating by all 3 rating agencies.
 - One of 8 states.
 - Can't raise taxes w/o public vote.
 - Balanced budget requirement – all public entities.

Missouri – Recent Ratings

- 4th Lowest state and local taxes per capita.
- 8th Lowest average commercial energy costs.
- 10th Lowest industrial energy costs.
- 7th Best business regulatory climate (Forbes)
- 3rd Lowest Business Costs (CNBC)
- 7th Best State for Taxes and Regulation (US Chamber of Commerce)
- 8th Best Higher-Ed Degree Output (US Chamber of Commerce)
- 8th Most Pro-Business State (Pollina Corporate Real Estate)
- 9th Best Transportation System (CNBC)
- 9th Best Quality of Life (Business Facilities Mag)

Aggressive Incentives



Access to Markets & Transportation Advantages



52% of all U.S. manufacturing plants are within 600 miles.

- Highways:**
 - 6 Interstates
- Rail:**
 - 6 class-one carriers
 - Two of largest terminals in US.
- Water:**
 - 14 Port Authorities
 - Ranks 10th for inland waterway mileage.
- Air:**
 - Can reach most cities in the United States and Canada in less than three hours

Seven Ps of Site Selection

Primary Company Attraction/Relocation

Proximity

- Close to markets, suppliers, transportation hubs, utility capacity, other required needs.

People

- Number with required skills within 30-45 min. drive radius;
- Number of local graduates in required fields.

Place

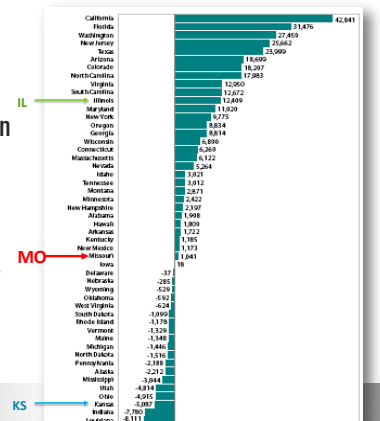
- "Cool" place to attract/retain young talent;
- Higher/continuing education.
- Industry "Clusters"

Source: IEDC Now, August 31, 2010

Talent Attraction & Retention

Net Flow of Population
Aged 25-34 - Bachelor's
Degree or Higher

Source: 2005 American
Community Survey



Seven Ps of Site Selection

Primary Company Attraction/Relocation

Product

- Available buildings or sites – shovel ready;
- Applicable to specific needs.

Perception

- Supportive local/state government;
- Cooperative labor situation.
- Citizen/media support.

Price

- After meeting **all** 30-60 requirements above, the finalist that has the lowest overall costs, including incentives.

Persistence

- Reputation for doing good job with site selection consultants and companies.

Source: IEDC Now, August 31, 2010



STRATEGIC INITIATIVE FOR ECONOMIC GROWTH

Purpose of the Strategic Initiative for Economic Growth:

Identify specific strategic and tactical plans for transforming Missouri's economy into a 21st Century sustainable growth economy.

Scope of the Initiative

- Select and prioritize 8 key strategies.
 - Data-driven.
 - Statewide focus, but recognize uniqueness of regions.
- For each strategy, develop tactical implementation plans.
- 5 year strategy period.
- Concentrate on “primary” businesses.

Website: www.ded.mo.gov/Strategic.aspx

Strategic Initiative for Economic Growth

Purpose:

To identify a clear path for growth in the Missouri economy, the 2010 Strategic Initiative for Economic Growth has been launched by Governor Nixon. The initiative will engage representatives from business, labor, higher education, and economic development across the state to chart a path for transforming the Missouri economy into a long-term, sustainable 21st century growth economy. The initiative will be coordinated by the Missouri Department of Economic Development and a professional facilitator experienced in economic development strategic planning. Upon completion of the 6-9 month process, the final initiative plan will identify a vision and mission for transforming the Missouri economy within 5 years, data driven strategic and tactical plans required to accomplish the vision and mission, targeted high growth industries that will drive economic growth in the state, and other economic factors that support long-term economic growth including innovation, workforce, access to capital, quality of life, tax structure and incentives.

Leadership:

- The initiative management and oversight will be by David Kerr, Director of the Missouri Department of Economic Development.
- The Executive Advisory Committee is Bill Doney of Kansas City Power & Light (Kansas City), Ann Marie Baker of U&I (Springfield), David Steward of World Wide Technologies (St. Louis), and Paul Combs of Baker Implement (Kennett). This committee will provide overall guidance and direction on the process.

Final Reports

- Target Clusters & Mixings
- Final Report, Str Plan
- Executive Summary

Members

- Steering Com Members
- Central Reg Ping Team
- KC, NW Reg Ping Team
- North Reg Ping Team
- SE Reg Ping Team
- STL Reg Ping Team
- SW Reg Ping Team

Summaries of Meetings

- Str Com 1, video links
- North Reg Forum, Sept 21
- Central Reg Forum, Sept 22
- Regional Forums, Opening
- SE Region Forum, 9-23-10
- STL Reg Forum 9-23-10
- SW Region Forum, 9-23-10

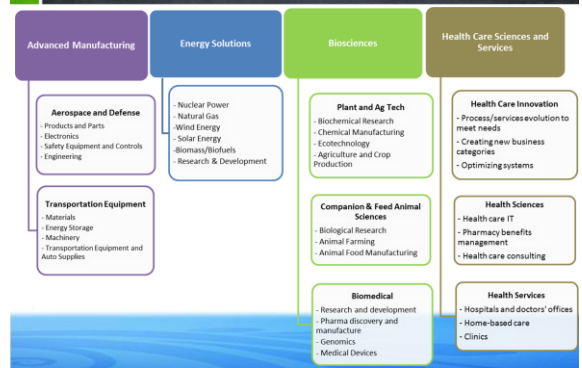
Leadership



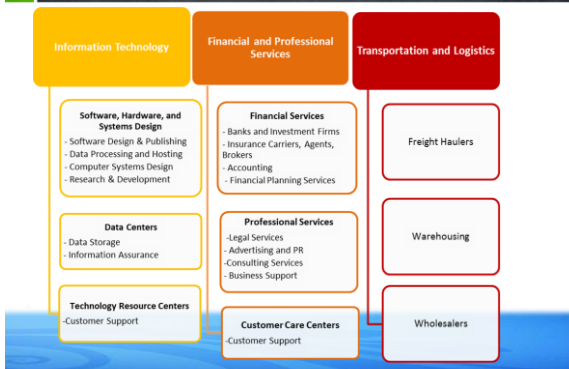
Targeted Industries

- What it is:
 - Identifies the industry sectors that have most **growth potential** AND are applicable to **Missouri's strengths**.
- Purpose:
 - Targets resources:
 - Marketing, recruitment, and expansion/retention efforts.
 - Incentives, technical assistance.
 - May result in the formation of “Clusters”, which drives growth, innovation and entrepreneurship.

Missouri target sectors



Missouri target sectors



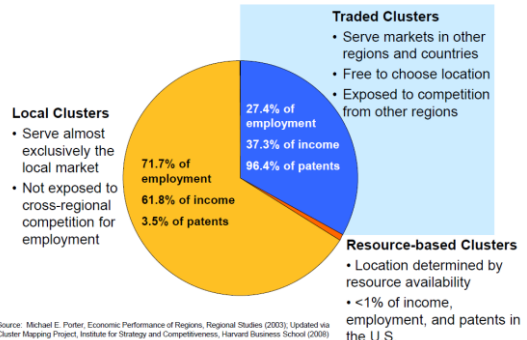
Regional Targeted Industries



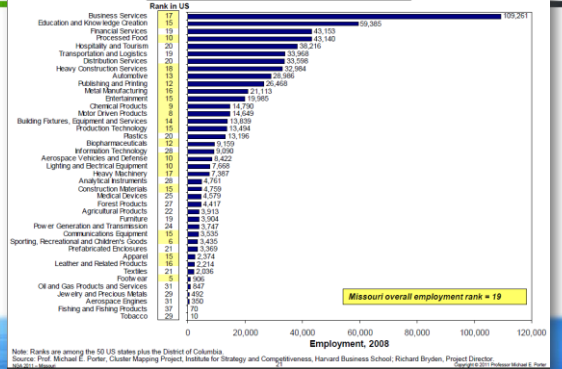
Industry “Clusters”

- What it is:
 - Regional concentration of comprehensively networked (vertical and horizontal) businesses up and down the value chain.
 - Training partners completely synched to the needs of employers.
 - Supportive infrastructure capacity, and,
 - A policy climate tailored to the competitive needs of the cluster.
- Includes:
 - End product industries.
 - Downstream or channel industries.
 - Specialized suppliers and providers of specialized services.
 - Related industries (shared activities, labor, technologies, channels, customer relationships).
 - Supporting institutions – standard setting, education/training, research, trade associations.

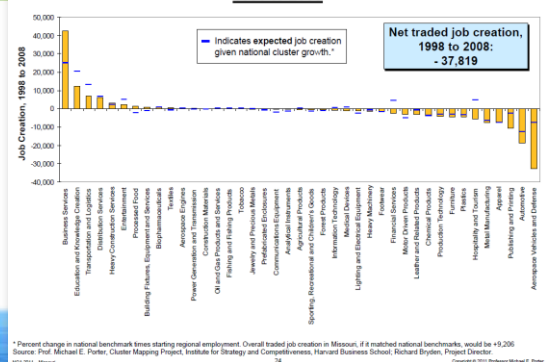
Composition of Regional Economies, United States



Composition of the Missouri Economy Employment by Traded Cluster, 2008



Missouri Job Creation by Traded Cluster 1998 to 2008



Cluster Organizations in MO



Strategies for Economic Growth

Adopted Nov. 30 by Steering Committee

1. Attract, develop and retain a **workforce** with the education and skills to succeed in a 21st-Century economy.
2. Support local economic-development organizations in the retention and expansion of **existing businesses** and employers.
3. Optimize its **tax, incentive and regulatory policies** to best support the growth of high-value target business sectors.
4. Invest in **technology and innovation** to attract, launch and sustain the growth companies of the future.

Strategies for Economic Growth

Adopted Nov. 30 by Steering Committee

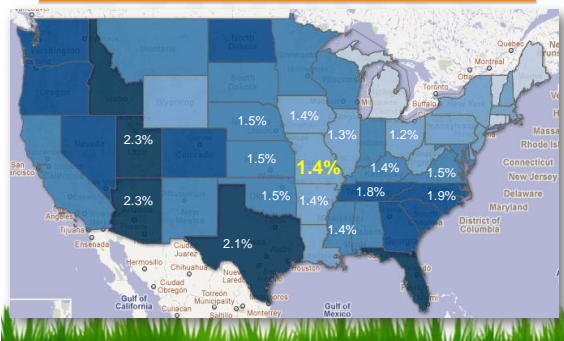
5. Aggressively **market** the state to domestic and select international audiences.
6. Develop a best-in-class **foreign trade** initiative.
7. Develop a culture that encourages small and minority business development and **entrepreneurship**.
8. Provide the **infrastructure** necessary for companies and communities to be successful.

Tactics Completed

- 2.2.1: Implement "Grow Missouri Loan".
- 3.3.1: Develop "Compete Missouri" incentive:
 - **Not adopted by legislature.**
- 4.4.1: Implement "IDEA" seed/venture funds.
- 4.1.2: Promote "MOSIRA" legislation
 - **Adopted in Special Session.**
- 6.2.1: Conduct market assessment and economic analysis of potential countries for exporting.
 - **3 new foreign offices.**

Projected Annual Avg. Job Growth, 2011-17

IHS Global Insight, Nov. 2011



Encouraging Signs

- Unemployment rate – Lowest in 2 ½ years.
- State exports – up **35%** in 2010, and up **13%** in first 2 quarters of 2011.
 - **\$4.4 billion in export contracts signed in Asia trip.**
- Significant new project announcements.
 - Burns and McDonnell (500 jobs), Applebee's HQ (389 jobs), VA Mortgage (320 jobs), Gallus (300 jobs), Ford (1,600 jobs), GM (1,600 jobs), DSI (250 jobs)



Progress West, Dec. 14, 2011

Missouri Department of Economic Development

Mike Downing, Deputy Director

www.DED.MO.gov